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IN THE

Supreme Court of the United States

OCTOBER TERM, 1943

NO. 398.

HAZEL-ATLAS GLASS COMPANY, Petitioner,

v.

HARTFORD-EMPIRE COMPANY, Respondent.

On Writ of Certiorari to the Circuit Court of Appeals for the Third Circuit.

BRIEF FOR RESPONDENT, HARTFORD-EMPIRE COMPANY.

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BRIEF FOR RESPONDENT, HARTFORD-EMPIRE COMPANY.

I

Official Reports of Decisions

The decision of the court below is reported at 137 F. 2d 764 and appears at page 216 of the Record. That decision disposed not only of this case, but also a companion one, *Shawkee Manufacturing Company et al., petitioners, v. Hartford-Empire Company*, in which certiorari has also been granted, No. 423 at this Term.

The earlier decision of the Circuit Court of Appeals, upon which was based the judgment sought to be reopened by the present proceeding, appears at 59 F. 2d 399. That opinion was filed May 5, 1932 and judgment was entered on the same day.

II

Counter-Statement of the Case.

For brevity, petitioner will be referred to in this counter-statement as "Hazel", respondent as "Hartford", the earlier litigation reported at 59 F. 2d 399 as "the Hazel infringement suit", and the petitioners at No. 423 as "Shawkee".

The proceedings and issues below

On November 19, 1941 Hazel filed a petition in the Court of Appeals for leave to file a bill of review in the District Court, annexing its proposed bill of review to the petition (R. 5, 6). The bill of review alleged that new and material facts had appeared which could not have been known with reasonable diligence. Hartford maintained by counter affidavits (R. 49-145) that the alleged facts were not new and that certain of them were not facts.

On December 29, 1941 the Court of Appeals ruled that the gist of the petition was in the charge of fraud on that court (R. 147) and denied the petition but granted leave to amend its prayers so as to petition the Court of Appeals to set aside its 1932 judgment on the ground of fraud, the court stating that it would adopt the practice followed in the Second Circuit in the *Art Metal* cases, 107 F. 2d 940; 107 F. 2d 944 (R. 148).

On January 6, 1942 Hazel filed an amendment to its petition (R. 149) which in substance was a motion to set aside the judgment in the Hazel infringement suit, which the Court of Appeals had entered in 1932, on the ground of fraud, and for a rehearing therein. Alternatively, Hazel prayed for leave to take proceedings in the

District Court for setting aside and vacating the final decree.

On February 3, 1942 Hartford filed its reply to the amended petition (R. 155). This reply contains the history of the Clarke article in reasonably compact form with a statement of the reasons why there was no fraud and why the evidence referred to in the proposed bill of review was not newly discovered; also statements as to Hazel's election to settle the case and disregard the substance of the so-called "newly discovered evidence" and a statement in regard to Hazel's laches.

Subsequently in its brief Hartford raised the question as to whether the Court of Appeals had the power to recall its mandate, vacate its judgment and rehear the case after the close of the term, about ten years before, at which the final judgment was rendered. To this question the answer must be in the negative, fraud or no fraud, because a Circuit Court of Appeals loses all jurisdiction of a case at the close of the term in which its judgment is entered, unless the jurisdiction be reserved, which was not done in the Hazel infringement suit. The case at bar offers no ground for making an exception to that rule.

The issues in this Court

The record before this Court is limited to the above-mentioned petition and the proceedings thereon. Hazel's brief herein undertakes to present many matters from the Hazel infringement suit, and to refer to the proceedings therein, although the record in the Hazel infringement suit is not before this Court. We shall proceed in this brief upon the assumption that the only matters to be here considered are those raised by the petition for certiorari. *Rorick v. Devon*, 307 U. S. 299,

303; *General Talking Pictures Corp. v. Western Electric Co.*, 304 U. S. 175, 179. The merits of the patent infringement suit are not involved here, for obvious jurisdictional reasons. *Toledo Scale Co. v. Computing Scale Co.*, 261 U. S. 399, 417-8.

The opinion of the court below; Hazel's knowledge of the facts in 1929; Hazel's laches

The opinion of the Court of Appeals (R. 216) was filed June 30, 1943. It was written by Judge JONES, Judge MARIS concurring, Judge BIGGS dissenting. Concurrently an order was entered denying the petition (R. 242). The opinion covers five main points, as follows:

(1)

The court found the fact to be that the Clarke article was not material to the 1932 decision in the Hazel infringement suit, because:

(a) In the Hazel infringement suit, the Peiler patent in suit was held by the Court of Appeals (one judge dissenting) to be valid and infringed by the Hazel glass feeders; 59 F. 2d 399 (Opinion herein R. 217.)* While the Clarke article was quoted and discussed in the Court of Appeals' opinion in the Hazel infringement suit, yet, "wholly apart" from it, the majority of the Court of Appeals

> "upon turning to *'the proofs'*,† drew their own conclusions in support of the action which the court thereupon took. * * * what was held in the

* The District Court had held the patent not infringed but had not questioned its validity; 39 F. 2d 111.

† Emphasis in quotations is ours throughout this brief, unless otherwise noted.

> Hazel-Atlas case was the court's independent judgment, regardless of the Clarke article. * * * In the situation shown, it is not possible for us to say that the Clarke article was so basic to this court's decision in the Hazel-Atlas case that, upon the showing of fraud in the article's authorship, we would be justified in setting aside the orders in the Hazel-Atlas and Shawkee cases * * *." (Opinion herein, R. 224).

The words "the proofs" which we have italicized in the foregoing quotation are from the 1932 opinion of the Court of Appeals in the Hazel infringement suit. That opinion, after discussing the Clarke article, proceeds: "We turn to the proofs for the steps leading up to this development". 59 F. 2d 404. There follows, in that opinion, an elaborate discussion of the evidence, references to the opinions of other courts and a discussion of the applicable principles of law.

(b) The charge of fraud goes merely to the *authorship* of the Clarke article, not to its *substance*, which was unchallenged prior to the proceedings before this Court:

> "No substantial complaint has yet been made that what the article contained in material part, namely, the ascendency of gob-feeders over stream feeders, was factually false." (Opinion, R. 223, 224).

Even now, Hazel does not challenge the correctness of the article in this respect.

(c) In 1933, while the Court of Appeals had the Shawkee appeal under consideration, facts as to the origin of the Clarke article were brought to the attention of the Court of Appeals by counsel for Shawkee. As to that, the instant opinion below says:

"There can be no doubt that the matter received the attention of all of the members of the court which had heard the Shawkee, as well as the Hazel-Atlas case." (Opinion, R. 223).

* * * * * *

"* * * what was held in the Hazel-Atlas case was the court's independent judgment, regardless of the Clarke article. That this is so is further confirmed by the fact that Judge Woolley, who had dissented sharply in the Hazel-Atlas case, separately concurred in the court's order in the Shawkee case, stating that he regarded himself as bound by the court's decision in the Hazel-Atlas case. And that was after the matter of the Clarke article had been brought to the court's attention by the Barnett correspondence while the Shawkee appeal, which had been lately argued, was still under advisement." (Opinion, R. 224).

(2)

The Court of Appeals found the fact to be that Hazel had full knowledge of the situation, even during the trial of the Hazel infringement suit in 1929.

"Not possibly can the information as to the facts attending the publication of the Clarke article be deemed to rate as after-discovered evidence so far as either Hazel-Atlas or Shawkee is concerned." (Opinion, R. 223).

Counsel for Hazel "were aware at least by the time of the trial" of the Hazel infringement suit in April, 1929 of the facts as to the authorship of the Clarke article (Opinion, R. 219). Both Clarke and Hatch had freely stated the facts in September, 1926 and February,

1928, respectively, and these admissions were imparted to counsel for Hazel at the time of the trial at Pittsburgh in 1929 (Opinion, R. 219-220; and see the affidavit of Edmund P. Wood, Esq., "whom both sides accredit", R. 187-190, and Wood's letter to Belknap of November 14, 1933, R. 145-146).

(3)

The Court of Appeals held that Hazel had not been timely in its representations to the court concerning the Clarke article. It found that Hazel, well knowing the facts, deliberately withheld them from both the District Court and the Court of Appeals because Hazel deemed it advantageous to do so. Consequently, the court held that Hazel had been so derelict that it had no standing to seek the relief for which it petitioned.

> "Counsel for Hazel-Atlas were aware at least by the time of the trial of their case in April, 1929 that Hatch was the author of the Clarke article. Although then so informed, counsel for Hazel-Atlas deliberately chose not to go into the matter of the article's real authorship, fearing that if they should refer to the article (which was not in evidence), they might thereby call attention to the statements therein contained as to the increased production from gob feeders as compared with stream feeders, which could not be successfully refuted. (See affidavit of Edmund P. Wood, Esq., of Cincinnati, whom both sides accredit)." (Opinion, R. 219).

As appears from that affidavit (R. 189), the then appraisal of the situation by Hazel's counsel was that inasmuch as the facts as to the widespread commercial use and success of the Hartford feeders were *"freely*,

admitted by everyone concerned in the suit and could not be successfully controverted", an attack on the article might be a boomerang.

When the briefs were filed in the Court of Appeals, Hazel's counsel still refrained from challenging the article except to criticize a *chart* appended to it on the ground that it was "misleading" and "not competent evidence" against Hazel (Opinion, R. 220).

Immediately after the 1932 decision of the Court of Appeals in the Hazel infringement suit, counsel for Hazel obtained affidavits *entitled in that appeal* (R. 26, 29) and setting forth the facts as to the authorship of the article (Opinion, R. 220). These affidavits, however, were not brought to the attention of the Court of Appeals, nor was any other timely representation made to it concerning the Clarke article (Opinion, R. 220-221). No petition for rehearing, based on this or any other ground, was filed, despite five extensions of time. Within the time allowed by the last extension, Hazel entered into a cross-licensing agreement with Hartford (Opinion, R. 221).*

> "In short, Hazel-Atlas made no timely representations to this court concerning the Clarke article" (Opinion, R. 221).

Hazel does not assert that it did anything between the middle of 1932 and the time it filed its original peti-

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* Although that agreement contains a provision giving Hazel the right to cancel at any time (R. 161), Hazel has never cancelled or renounced it. The agreement proved immensely profitable to Hazel (R. 162) until May, 1941 when, because of an impounding order entered in the Toledo anti-trust case, it became unprofitable. It was not until some months thereafter that Hazel filed its first petition herein (Opinion, R. 221).

tion herein, in October 1941, by way of attempt to ascertain or prove the facts of which it concedes it was at least on notice (Br. p. 22; R. 11). So far as appears, it was quiescent for the entire period.

(4)

The Court of Appeals found the fact to be that Hazel had not been prevented from making a full and fair defense (Opinion, R. 224, 225).

(5)

The Court of Appeals held as a matter of law that it had no power to vacate or set aside the decree of the District Court, or to recall its mandate to that court.

"So far we have considered this matter on the merit of the petitioners' allegations and their standing to seek the relief for which they petition; and we conclude against them on both grounds. But, even had our conclusions in such regard been otherwise, we would still find ourselves confronted with a lack of power to vacate or set aside the decrees of the District Court, which reside therein unaffected by any retention of jurisdiction in this court.

"Following the disposition of the appeals in the Hazel-Atlas and Shawkee cases whereby this court acquired the only jurisdiction it ever had over the decrees in those cases, appropriate mandates duly issued and the terms at which the final orders on the appeals were entered expired long prior to the filing of the instant petitions without action having been taken to extend this court's grasp. In that situation there is nothing from which the jurisdiction of this court can be deemed to have been con-

tinued. This rule applies with full vigor to a Circuit Court of Appeals. See Nachod et al. v. Engineering & Research Corporation, 108 F. 2d 594 (C.C.A. 2), where the Court of Appeals said,—'Our term having expired since the mandate went down, we have no power to recall it' (citing cases). And without a recall of the mandate we are powerless to control or affect the decrees in the District Court which the petitioners now ask us to vacate and set aside." (Opinion, R. 225).

"We are without power to affect a final decree of a District Court except in the exercise of our appellate jurisdiction and, once our mandate, based upon an order of a competently constituted court, goes down, our control over the decree below entered pursuant to the mandate comes to an end unless the mandate be recalled or action otherwise be taken within term time to extend our jurisdiction." (Opinion, R. 226.

The Clarke Article

The Clarke article was true. Indeed, counsel for Hazel realized its truth; it was on this account that they decided, during the trial of the Hazel infringement suit, not to attack its authorship (R. 189). Moreover, its truth is attested by affidavits of Clarke (R. 89), Maloney (R. 90), Dorsey (R. 92), Hatch (R. 63) and Brown (R. 53).

The article was first drafted by Hatch, an employee of Hartford. The source materials for the article were principally the Proceedings of the Bottle Blowers' Association, but also included a publication of the U. S. Department of Labor and other government publications

(R. 60). Since Hatch expected from the beginning that the article, which dealt with the impact upon labor of the introduction of automatic glass-making machinery, would be submitted to a responsible union official, to be checked, revised and sponsored by him (R. 60, 103, 105), his original draft included statements appearing in the Union Proceedings, even though Hatch deemed those statements wrong (R. 62).* But those errors were corrected, and prior to the publication of the article in July, 1926, it was redrafted, the chart was amended, and "all errors which were dependent upon facts capable of being made more nearly exact were corrected before the final draft which was published was made" (R. 62).

After the first drafts of the article had been prepared and revised by Hatch and others, it was submitted to Clarke, who carefully checked and corrected it (R. 64-5, 105, 109, 110, 141).

Clarke's verification of the article was painstaking. He required Hatch to give him proof of all parts on which he lacked sufficient information to vouch for the statements. He struck out the last page, because it was unsatisfactory to him (R. 64).

Clarke, having thus satisfied himself of the accuracy of the article, submitted it to Maloney, President of the Glass Bottle Blowers' Association (R. 108-9). In regard to it, Maloney wrote Clarke on July 7, 1926 (R. 109), saying:

> "I have read this paper carefully this morning which was the first opportunity I have had to do so and I find nothing in it that we can take any excep-

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* This is the basis of Hazel's unjustified innuendo (Br. p. 8) that the article *as published* was false, and intentionally so.

> tions to. In fact, it seems to be a very fair review of the changes that have occurred in the glass bottle industry in the last few years as far as automatic machinery is concerned and the attitude we have always taken relative to new methods of production."

This letter was written prior to any controversy over the authenticity or the accuracy of the article.

Only after the accuracy of the article had thus been fully confirmed did Clarke adopt it as his own, sign it, and release it for publication (R. 63-4; 110). The article thus became Clarke's article. Hartford's attorneys so regarded it, and believed it to be true (R. 54, 56, 72, 92).

Hazel asserts (Br. pp. 10-11) that "it was not Clarke who used the expression 'gob feeders', but the Hartford patent attorneys, who needed this expression for their Patent Office arguments". Hazel's assertion is essentially misleading, for the Union Proceedings of 1923, although not using the term "gob feeders", did speak of "the gob process of dropping glass into a mould" (R. 207), and the Clarke article was entirely accurate in saying (R. 132) that "This new feeder was what is *now* known as the gob feeder * * *".

Under the second point of our argument (pp. 50-2 *infra*) we shall outline in detail the various items of proof and the decisions of other courts dealt with at length in the opinion of the Court of Appeals in the Hazel infringement suit, and shall show that the Clarke article was only incidental to that decision. At this point we respectfully suggest that a reading of the Clarke article (R. 167-176), of the only statement in Hartford's brief regarding it (R. 176-7), and of the only statement in

Hazel's brief in reply (R. 177-8), will show that the charges of falsity sprinkled throughout petitioner's brief are not justified and that the Clarke article has been magnified out of all proportion by petitioner.

In discussing the preparation of the Clarke article, Hazel's brief, pages 7-8, completely misapplies the letter from Brown of Hartford to Carter of Owens (R. 40) suggesting that Carter write an article. The suggestion was immediately declined by Carter (R. 94), and this correspondence had no connection whatever with Hatch's subsequent compilation of the article later adopted and signed by Clarke (R. 52, 61, 69). The Clarke article was drawn as an historical statement, of news interest in the trade (R. 89, 59). It said nothing about the validity or infringement of any patent, or the priority of any inventor over others.

Hazel's innuendo that the Clarke article brought about the allowance of the Peiler patent is unsupported by the record and untrue in fact (p. 16 *infra*). It was filed in the Patent Office with a number of affidavits and other publications (R. 53). While not sworn to by Clarke for filing in the Patent Office,* it was deemed by the patent solicitors to be true (R. 53, 92). So filed, it became part of the "file wrapper" of the Peiler application, which file wrapper ultimately was offered in evidence during the trial of the Hazel infringement suit.

It was when the file wrapper was put in evidence, during the trial of the Hazel infringement suit, that the counsel for Hazel conferred and decided to make no point of the fact that Hatch and not Clarke had originally

* Subsequently Clarke executed an affidavit verifying the article in all respects (R. 89), as did Maloney (R. 90).

drafted the article. The discussion turned on the distinction between "origin and substance" and Hazel's counsel concluded that as the substance was true any attack on the article might prove to be a boomerang (R. 189).

Thereafter, the article and the chart appended to it were referred to in the brief which Hartford filed in the Circuit Court of Appeals (R. 176-177). The reference was solely in connection with an argument that the invention of the Peiler patent in suit "broke the Owens domination", in support of which the cited proof was that the Owens Company had itself become a licensee of Hartford's plunger feeders and was using them in different plants (R. 177).

Hartford's brief did not quote or rely upon any of the parts of the Clarke article quoted in the opinion of the Court of Appeals in the Hazel infringement suit (R. 177).

The Hazel brief did not attack the authorship of the article, nor its truth. It criticized the chart in some respects and said:

> "This chart, like other matters relied upon by plaintiff, such as a German book of 1926 (Plff's brief, p. 20) is not competent evidence against the defendant, being merely part of ex parte statements made in plaintiff's behalf during the Patent Office proceedings" (R. 178).

Nor did the Hazel brief challenge the basic proposition that the Peiler feeder "broke the Owens domination", for which proposition alone, as we have stated, was any reference whatever made to the Clarke article in Hartford's brief (R. 177-8).

Factual errors in the dissenting opinion below

The dissenting opinion below contains several important factual errors upon which that opinion is evidently based:

(1) It states (R. 235) that "devices such as Peiler's" are not referred to in the Union Proceedings and that this was "the heart and essence of the fraud"; whereas the Union Proceedings, as excerpted in the record (R. 207, 212-215), do refer repeatedly to both Hartford devices and similar devices built by others, all of which, as Hartford urged on the court in the Hazel infringement suit, stemmed from Peiler's invention.

(2) It states (R. 237) that Clarke asked Hartford for money about May 20, 1932 and was paid shortly thereafter; whereas the fact is that no money payment was asked for, suggested or made until after the Hazel-Hartford settlement in July, 1932 (*infra*, pp. 62-6).

(3) It states (R. 233) that the court below in 1932 thought that the Clarke article represented the opinion of members of a labor union, as if this were untrue; whereas the article did in fact represent the union opinion (R. 89-90, 109-110, 195-215) and did little more than condense that opinion from the voluminous records of the official printed Union Proceedings (See comparative tables R. 195-209).

(4) It states (R. 234) that Hatch had "a deliberate intention to avoid truthfulness" in drafting the Clarke article; whereas the fact is that although the *first draft* of the article repeated some errors in the Union Pro-

ceedings (see pp. 10-11 *supra*), those errors (which were purely statistical) were corrected before the article was adopted by Clarke and published (R. 62-63; p. 11 *supra*).

Further particulars as to these factual errors in the dissenting opinion are given on pages 34-36 of respondent's brief opposing the petition for certiorari herein.

Inaccurate statements and arguments in Hazel's brief in matters outside the record

Hazel's brief is replete with statements and arguments wholly outside the record before this Court. Those statements and arguments, apparently intended to create "atmosphere", cannot be permitted to go unchallenged. In the circumstances, we feel justified in stating our disagreement therewith, and commenting—not as the basis for any argument of our own, but solely for the purpose of holding the case within its proper compass—as follows:

(1) *Hazel's comments on proceedings in the Patent Office* (Hazel Br., pp. 7, 9-10, 11-12: The file wrapper is not in this record. Contrary to the implications of the Hazel brief, that the Clarke article procured the allowance of the Peiler patent, the facts are that the Peiler application was rejected *three times* by the Patent Office after a copy of the Clarke article was filed in October, 1926, twice by the Primary Examiner and once by the Board of Appeals.* The Peiler application was allowed.

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* See the opinion of the District Court in the Hazel infringement suit, 39 F. 2d 111-117, quoted on page 7 of Shawkee's brief at No. 423.

not because of the Clarke article, but on proof of Peiler's priority over a Howard patent. The Clarke article was never so much as mentioned in any decision or other action by the Patent Office.

(2) *Hazel's re-argument of the Hazel infringement suit* (Hazel Br., pp. 12-16). The record in the Hazel infringement suit is not a part of the record before this Court. Nevertheless, Hazel's brief re-argues many points debated in that suit, decided against Hazel and not referred to in the Clarke article, such as the disclosures of prior art patents, the date when Hartford first put plunger feeders on the market, etc. Since the present proceedings do not require consideration of those matters and the record on them is not in this Court for review, the many factual errors in this portion of petitioner's brief will not be discussed in detail here. It will perhaps suffice to call attention to the statements (Hazel Br., p. 15) that "It was not until 1922 that Hartford first installed one of these [Peiler plunger] feeders, according to its own testimony * * *" and that the plunger feeders of others "were in wide use years before the Hartford feeders"; which statements are contrary to the decision of the Court of Appeals, 59 F. 2d 399, 408, 412.*

(3) *Hazel's assertion as to "the gist of the claim" of the Peiler application* (Hazel Br., p. 19): Hazel erroneously asserts that the "gist" of the claim in Peiler's ap-

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* p. 412 states, "when the application for the Peiler patent was filed, Peiler's plunger feeder had been in commercial use at Fairmont for over a year." The application was filed May 5, 1919, 39 F. 2d 111, 117. Thus the Court of Appeals found that Peiler had a commercial use four years prior to the date stated in petitioner's brief.

plication is expressed in words quoted by Judge BUFFINGTON from the Clarke article, to the effect that the new feeders cut off a suspended gob which was preformed or shaped during suspension.* The Peiler patent is not in this record, but it will suffice here to refer to the opinion of the District Court in the Hazel infringement suit, 39 F. 2d 111, 112-3, where six claims are quoted, to show that Hazel's assertion is ill-founded, and that the claims require a particular *way* of shaping. Cf. the opinion of the Court of Appeals, 59 F. 2d 399, 413.

III

Summary of Argument

(1)

Respondent interposed no objection in the court below, on procedural grounds, to petitioner's original application in the court below for leave to file a bill of review in the District Court, but opposed only on the lack of merit in the petition. Petitioner now has the procedural right to file an original bill in a competent court of original jurisdiction to impeach the judgment now standing against it. Petitioner is asking this Court to prescribe an improper procedure for this case, which is unnecessary. There is a proper procedure open to petitioner, as the court below pointed out, whereby petitioner can obtain relief if any is warranted by the facts.

The court rightly held that it was without statutory authority to grant the relief sought by petitioner. If

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* As a matter of fact, the broad language which Judge BUFFINGTON quoted from the Clarke article—not limited to any particular *way* of shaping—applies to the early Hartford paddle feeder. *Homer Brooke Glass Co. v. Hartford-Fairmont Co.*, 255 Fed. 901, 904.

the petition be regarded as a part of the original Hazel infringement suit, the Court of Appeals had lost all jurisdiction by the expiration of the term in which its 1932 judgment was entered. If the petition be regarded as an original bill to impeach the 1932 judgment of the Court of Appeals, the court had no jurisdiction because it is a court of appellate jurisdiction only.

The *Art Metal* cases in the Second Circuit are not applicable here, as the court below correctly held. The Second Circuit, as well as the other Circuit Courts of Appeals, follows the general rule, established by many decisions of this Court, that the power of a Court of Appeals over its final judgment, rendered by a competently constituted court, expires with the expiration of the term in which the judgment is entered, unless steps are taken during that term to continue the court's jurisdiction. The limitation is not merely one of judicial pronouncement, so far as the Circuit Courts of Appeals are concerned, but is imposed by statute.

The dissenting opinion below is erroneous in considering that analogy exists between the present case and the *Art Metal* cases, and in holding that a Court of Appeals can act as a *nisi prius* court which disregards the controlling decisions of this Court.

There is no conflict between the judgment below and the decisions of this Court in *United States v. Throckmorton*, 98 U.S. 61, and *Marshall v. Holmes*, 141 U.S. 589, both of which dealt with original bills brought in courts of original jurisdiction.

The English cases cited by petitioner are not applicable here.

The public interest does not require reversal of the judgment below. On the contrary, the public interest

requires that the judgment below be affirmed and that petitioner be held to a procedure by original bill which would protect the rights of both parties.

(2)

There was no fraud in the preparation and publication of the Clarke article, or in its use by respondent in the Patent Office, or in the reference which respondent made to it in its 1931 brief before the Circuit Court of Appeals. The Clarke article was true. Clarke checked the article for accuracy, adopted it as his own, signed it, and sponsored its publication. Consequently, it was Clarke's own article when it was published, and it was so considered by respondent's counsel in good faith. The Clarke article was not material to the 1932 decision of the court below, as the Court of Appeals correctly held.

(3)

The court below correctly held that petitioner had made no timely representations to that court concerning the Clarke article, notwithstanding petitioner's knowledge of the initial authorship of the article; and that petitioner, because of its laches, had no standing to seek the relief for which it petitioned. There is no merit in petitioner's contention that respondent hampered petitioner's investigation of the Clarke article.

Petitioner's inaction has deprived respondent of the testimony of at least three important witnesses, now dead, and therefore amounted to laches as well as lack of diligence.

(4)

Petitioner is barred from seeking the relief for which it petitions, by its own election to settle its controversy with respondent and to abide by that settle-

ment so long as the settlement was profitable to it. Petitioner did not disclose its knowledge of the genesis of the Clarke article either to the District Court in 1929, fearing that controversy over the article would emphasize its truth, or to the Court of Appeals in 1932 when it elected to enter into a cross-licensing agreement with respondent which settled the infringement controversy between the parties, and which resulted in large profits to respondent. Petitioner, having for years elected to stand upon the judgment of the court below and to affirm the settlement agreement, is not entitled to change its mind and now belatedly seek relief.

(5)

The court below correctly found that the alleged fraud did not prevent petitioner from making a full and fair defense. There was a full adversary trial of the Hazel infringement suit. Petitioner nowhere contends that respondent prevented it from presenting every possible defense, including all pertinent prior art and all proof as to the practicability of that art. Petitioner's failure to present to the courts below its knowledge as to the genesis of the Clarke article was by its own choice and not through any act of respondent. Petitioner is now merely seeking reargument of issues already thoroughly litigated. *United States v. Throckmorton*, 98 U.S. 61; *Toledo Scale Co. v. Computing Scale Co.*, 261 U.S. 399.

(6)

The writ of certiorari should be dismissed because the judgment below was based on several grounds, mainly of a factual nature and each sufficient to dispose of the case. This Court has dismissed writs of certiorari in such circumstances.

IV.

ARGUMENT

First Point

Respondent interposed no objection in the court below, on procedural grounds, to petitioner's original application in the court below for leave to file a bill of review in the District Court, but opposed only on the lack of merit in the petition.

Respondent concedes that it is petitioner's procedural right to file an original bill in a competent court of original jurisdiction to impeach the judgment now standing against it, but insists that the court below was without statutory or other authority to grant the relief sought by petitioner.

Petitioner's several contentions in regard to the legal power, and as to the public interest, are wholly without merit.

We wish to emphasize at the outset that respondent does not deny, and never has denied, that petitioner had, and still has, a sound procedure available to it whereby to apply for relief from the judgment standing against it, however ill-founded its claims.

Petitioner began these proceedings by asking the Court of Appeals for leave to file a bill of review in the District Court (R. 6), a procedure authorized by *Southard v. Russell,* 16 How. 547, 570. Respondent opposed on the merits of the application, but did not interpose any objection whatever on procedural grounds.

The Court of Appeals denied the petition as originally framed, but gave petitioner leave to amend its prayers, stating that the Court of Appeals would "itself pass upon the question of whether the mandates of this court should be recalled and the cases reopened" (R. 148). This procedure respondent did and does oppose. It was wholly beyond the power of the Court of Appeals to recall its mandate after the close of the term at which the mandate was entered, or to transform itself into a *nisi prius* trial court, as this Court has repeatedly held and as the majority of the court below upon reflection realized (R. 225-226).

The amended petition included a prayer for leave to take proceedings in the District Court to attack the judgment of that court (R. 149-150), thus in effect renewing the prayer of the original petition for leave to file a bill of review (R. 6). The Court of Appeals held, on the merits of petitioner's showing (R. 225):

> "So far we have considered this matter on the merit of the petitioners' allegations and their standing to seek the relief for which they petition; and we conclude against them on both grounds."

and denied the petition (R. 242), thus denying the prayer for leave to proceed in the District Court by way of a bill of review, for lack of a sufficient showing of "newly discovered evidence".

This action was in accord with the decisions of this Court, e.g., *Southard v. Russell,* 16 How. 547, 568, holding that newly discovered evidence is not sufficient to warrant a bill of review when it is merely cumulative, but that it "must be different, and of a very decided and controlling character"; and *Toledo Scale Co. v. Comput-*

ing Scale Co., 261 U.S. 399, 421, holding that applicants must be diligent in their search for and presentation of newly discovered evidence.

Notwithstanding the strict rule of the cases just cited, the court below has been more liberal in granting to defeated litigants its permission to review their controversies by means of bills of review. *Raffold Process Corp. v. Castanea Paper Co.*, 3 Cir., 105 F. 2d 126, 129. The court below evidently concluded that petitioner had not even made out a *prima facie* case (p. 23 *supra*, p. 41 *infra*).

However, even now petitioner is entitled, if it chooses, "to file [an] original bill to impeach the decree now standing against" it. As pointed out by the court below (R. 226), that is the recognized procedure for attacking a final judgment on the ground of fraud after the expiration of the term of its entry. It is a procedure which is fair to both parties, in that it permits of the examination and cross-examination of witnesses and preserves the right of appeal to a duly constituted appellate court. *Gaines v. Fuentes*, 92 U.S. 10; *Barrow v. Hunton*, 99 U.S. 80; *Arrowsmith v. Gleason*, 129 U.S. 86; *Dowagiac Mfg. Co. v. McSherry Mfg. Co.*, 6 Cir., 155 Fed. 524; 4 Cyc. of Fed. Proc., Sec. 1159, pp. 342, 344, 345.

In brief, then, our position here is: while we deny that the facts warrant the ultimate granting of any relief to petitioner, and while we deny that the legal procedure sought by petitioner to be approved by this Court is lawful or sound, we freely concede that petitioner has a long-established course of legal procedure open whereby petitioner may obtain relief if entitled to it.

The court below rightly held that it had no power to grant the relief sought.

If the petition be regarded as a part of the original Hazel infringement suit, the Court of Appeals had lost all jurisdiction by the expiration of the term in which its 1932 judgment was entered. If the petition be regarded as an original bill to impeach the 1932 judgment of the Court of Appeals, that court had no jurisdiction because it is a court of appellate jurisdiction only. We shall discuss these propositions in order.

Since the term in which the original 1932 judgment was entered had long since expired, the court below was without power to recall its mandate, and correctly so held.

The mandate of the Court of Appeals in the Hazel infringement suit issued in 1932. Further jurisdiction over the case by the Court of Appeals was not reserved in any way. The term in which that mandate issued expired. Thereupon, long prior to the filing of the original petition herein, the Court of Appeals lost all jurisdiction of the case and had no further control over its mandate or power to recall it.

A multitude of cases stating the term rule might be cited. In *Wayne United Gas Co. v. Owens-Illinois Glass Co.*, 300 U.S. 131, 136-7, (1937) this Court said:

> "A court of equity may grant a rehearing, and vacate, alter, or amend its decree, after an appeal has been perfected and after the time for appeal has expired, *but not after expiration of the term at which the decree was entered* [citing cases]. * * * But we think the court has the power, for good

reason, to revise its judgments *upon seasonable application* and before rights have vested on the faith of its action. Courts of law and equity have such power, *limited by the expiration of the term at which the judgment or decree was entered* and not by the period allowed for appeal or by the fact that an appeal has been perfected."

That this salutary rule continues today in full vigor is clearly indicated by both the prevailing and minority opinions in the decision handed down by this Court on January 3, 1944 in the case of *Hill, etc. v. Hawes*, October Term 1943, No. 4.

There a court of original jurisdiction was permitted by the majority opinion to re-enter its judgment, thus affecting the time for appeal, where such action was taken when "The term had not expired and the judgment was still within control of the trial judge." That the reasons underlying the rule are cogent today is demonstrated by the opinion of the Chief Justice objecting to the action permitted as disregarding "considerations of certainty and stability which have hitherto been considered of first importance in the appellate practice of the Federal courts" and saying:

"It is in the public interest, and it is the very purpose of limiting the period for appeal, to set a definite and ascertainable point of time when the litigation shall be at an end * * *."

The term limitation has repeatedly been held by this Court to be one of jurisdiction:

"At the end of the term, the parties are discharged from further attendance on all causes de-

cided, *and we have no power to bring them back.* After that, we can do no more than correct any clerical errors that may be found in the record of what we have done." *Brooks v. Railroad Co.*, 102 U.S. 107.

"But it is a rule equally well established, that after the term has ended all final judgments and decrees of the court pass beyond its control, unless steps be taken during that term, by motion or otherwise, to set aside, modify, or correct them; and if errors exist, they can only be corrected by such proceeding by a writ of error or appeal as may be allowed in a court which, by law, can review the decision. * * * And this is placed upon the ground that the case has passed beyond the control of the court [citing numerous cases]." *Bronson v. Schulten*, 104 U.S. 410, 415.

See also *Wetmore v. Karrick*, 205 U.S. 141, 151.

Bronson v. Schulten, supra, was the law of the land when the Circuit Courts of Appeals were established by the Act of March 3, 1891, c. 517. Section 3 of that Act required annual terms for the Courts of Appeals, and the same provision has been repeatedly re-enacted. 28 U.S.C.A. § 223. These enactments lend the binding force of statute to the term rule, insofar as the Circuit Courts of Appeals are concerned. Williams, "Federal Practice", Sec. 7, pp. 67-8.

The effect of the term limitation has been somewhat modified, insofar as District Courts are concerned, by virtue of the new Rules of Civil Procedure, promulgated in 1938 according to statutory authority. Act of June

19, 1934, c. 651, § 12.* These rules, however, do not apply to Circuit Courts of Appeals, wherein the term rule applies with all its vigor. *Nachod et al. v. Engineering and Research Corporation,* 2 Cir., 108 F. 2d 594.

The rule has been uniformly observed by the Circuit Courts of Appeals. Some of their decisions are listed in the footnote.†

It is abundantly plain, therefore, that the court below had no power, because its jurisdiction had long since ended, to recall the mandate and re-hear the Hazel infringement suit, as the majority of the court below, on reflection, held.

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* Cf. *Sprague v. Ticonic Bank,* 307 U.S. 161, 169, which, while commenting on the effect of the new Rules of Civil Procedure, insofar as terms are concerned, points out that prior to their adoption "a final decree in a suit in equity could be revised only during the term of court of its entry".

† FIRST CIRCUIT:
Casey v. Sterling Cider Co., 15 F. 2d 52;
Hart et al. v. Wiltsee et al., 25 F. 2d 863.

SECOND CIRCUIT:
Watts, Watts & Co., Limited v. Unione Austriaca Di Navagazione, 239 Fed. 1023;
Sundh Electric Co. v. Cutler-Hammer Mfg. Co., 244 Fed. 163, 170;
Dobson v. United States, 31 F. 2d 288; certiorari denied 278 U.S. 653.

THIRD CIRCUIT:
Realty Acceptance Corp. v. Montgomery, 51 F. 2d 642; affirmed 284 U.S. 547.

FOURTH CIRCUIT:
Foster Bros. Mfg. Co. Inc. v. National Labor Relations Board, 90 F. 2d 948.

The procedure urged by petitioner is unwarranted and improper.

The amended petition as presented to the Circuit Court of Appeals initiates what can only be considered to be an *original* proceeding. It is equivalent to an *original bill*—an independent proceeding—to impeach the judgment of that court. Even the dissenting opinion below concedes this (R. 227-8). But the Court of Appeals cannot properly entertain such a bill, for to do so would result in the court constituting itself a *nisi prius* court from which there would be no regular channel of appeal to a court of review. The court below, being one solely of appellate jurisdiction* has no power to consider an original bill.

Upon consideration of the petition herein and of the authorities the court below necessarily so concluded and

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FIFTH CIRCUIT:
Wichita Royalty Co. v. City Nat. Bank of Wichita Falls, 97 F. 2d 249.

SEVENTH CIRCUIT:
Hawkins v. Cleveland, C., C. & St. L. Ry. Co., 99 Fed. 322.

EIGHTH CIRCUIT:
Guaranty Trust Co. of New York et al. v. Minneapolis & St. L. R. Co. et al., 98 F. 2d 345, 346-7;
Walsh Construction Co. v. U.S. Guarantee Co., 76 F. 2d 240-243.

NINTH CIRCUIT:
Waskey v. Hammer, 179 Fed. 273, 274.

* 28 U.S.C.A. 225 (Judicial Code, Section 128); *United States v. Mayer*, 235 U.S. 55, 65; "But the jurisdiction of the Circuit Courts of Appeals is exclusively appellate * * *." *Whitney v. Dick*, 202 U.S. 132, 137, 138; *Realty Acceptance Corp. v. Montgomery*, 284 U.S. 547, 549. See also 28 U.S.C.A. § 863 and note thereunder.

itself pointed out its lack of power—even were it so inclined, which it was not—now to grant the prayer of the petition and order a modification of the judgment entered in the District Court in 1932 in response to its mandate. The court said (Opinion, R. 226)

> "We are without power to affect a final decree of a District Court except in the exercise of our appellate jurisdiction and, once our mandate, based upon an order of a competently constituted court, goes down, our control over the decree below entered pursuant to the mandate comes to an end unless the mandate be recalled or action otherwise be taken within term time to extend our jurisdiction."

The court below was right: it had no power to entertain the petition as an original bill to impeach its prior judgment. The sole purpose of the amended petition is (R. 149) to set aside the judgment of the court below, and the judgment entered pursuant to that court's mandate by the District Court, for alleged fraud.

An original bill is the only method by which a final judgment can be attacked on the ground of fraud after the expiration of the term of its entry. *Bronson v. Schulten,* 104 U.S. 410; *United States v. Throckmorton,* 98 U.S. 61.

> "Such a ground of relief [i. e., fraud] can be made the basis, not of a bill of review, but only of an original bill, or, as it is sometimes called, an original bill in the nature of a bill of review." *Dowagiac Mfg. Co. v. McSherry Mfg. Co.,* 6 Cir., 155 Fed. 524, 528.
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> "An original bill is a proper method of seeking redress against a decree obtained by fraud * * *. A bill to impeach a decree for fraud does not operate

> to review the decree; or seek to undo or reverse it, but merely to leave it standing unreversed and to deny to the party who obtained it by fraud any right to have the fruits of it * * *. *A bill to impeach a decree for fraud is an original bill.*" (4 Cyc. of Fed. Proc., Sec. 1159, pp. 342, 344, 345.)

The necessity for application of that established rule in this proceeding is apparent.

Where, as here, a judgment has become final and men have acted upon it, it becomes the foundation of new rights and new undertakings. In the present case the petitioner, having full information as to the initial authorship of the Clarke article, decided to settle its controversy, end the litigation, and enjoy the benefits of its settlement. If this settlement which has been the foundation of subsequent conduct were to be vitiated, there would arise many matters to be adjusted which could only properly be considered in an original proceeding brought to a court of original jurisdiction. An appellate court is neither equipped nor does it have the power to solve the manifold problems thus presented.

Without the opportunity in response to an original bill in a court of original jurisdiction to submit witnesses in its own behalf and to cross-examine the moving party's witnesses, a respondent would be deprived of a full and fair opportunity to dispel or rebut any charge of fraud brought forward against it. Moreover, neither party would have an appeal as a matter of right.

The Art Metal cases are not applicable here.

Petitioner seeks (Br. p. 32) to avoid the recognized rule that jurisdiction ends when term ends by invoking the decisions in *Art Metal Works, Inc. v. Abraham*

& Straus, Inc., 2 Cir., 107 F. 2d 940, 107 F. 2d 944, certiorari denied 308 U.S. 621. But those decisions are not applicable here, nor are they in conflict with the well established term rule or with the decision below, as was pointed out by the court below in a discussion which carefully considered their possible application to the case at bar (Opinion, R. 225-6):

> "The procedure followed in the Art Metal cases, cited *supra*, does not derogate from this rule. There the vote of a judge of the Court of Appeals who had been corrupted in respect of that litigation was necessary to produce one of the two decisions in the appellate court between the same parties and involving the same patent, so that *no qualified court had really disposed of those appeals;* and, by the same token, *no competent mandates ever issued*, hence, the term time was irrelevant. The appeals were in effect treated as never having been *coram judice* theretofore. The orders thereupon entered in order to clear the record in the Art Metal cases of the former invalid action taken therein cannot properly be utilized to spell out power in a Circuit Court of Appeals to recall its mandate after the expiration of the term when no action has been taken within the term to continue the jurisdiction of the court."

In short, the situation in the *Art Metal* cases, at the time the petitions therein were filed, was that, in legal effect, there had never been a hearing before a properly qualified appellate court, no *judgment* had been entered, and consequently there had been no expiry of the term. This was the basis of distinction between the *Art Metal* cases and the general term rule, urged both before the Court of Appeals and in opposition to the petitions for

certiorari by counsel for the Art Metal Works. It was evidently the basis of distinction upon which the Court of Appeals proceeded therein. The same court was fully mindful of the term rule because, shortly afterwards, in a case where, as here, there had been a final judgment by a properly constituted court, it held:

> "Our term having expired since the mandate went down, we have no power to recall it." *Nachod et al. v. Engineering and Research Corp.*, 2 Cir., 108 F. 2d 594.

As the court below pointed out in the case at bar (Opinion, R. 225-6):

> "The view we thus take of the procedure followed in the Art Metal cases is confirmed by the fact that after the action taken therein looking to a *de novo* argument of those appeals, the same court, composed of the same judges who had sat for the reargument of the Art Metals appeals and had disposed of them on November 20, 1939, just one month later (December 22, 1939) reasserted in the Nachod case, *supra*, the lack of power in a Court of Appeals to recall its mandate after the term has expired."

While we fully recognize that denial of certiorari does not ordinarily indicate either approval or disapproval, by this Court, of the decision of a Court of Appeals, we feel that, in all the circumstances of the MANTON situation, denial of certiorari by this Court in the *Art Metal* cases, 308 U.S. 621, and in *Beidler v. Photostat Corp.*, 310 U.S. 648, in each of which this very point was at issue, lends material force to our contention.

In the Hazel infringement suit, a full and fair hearing was had before a properly constituted and qualified Court of Appeals. The judgment of that court was

entered, its mandate issued and the term in which those proper and judicial acts were done expired. On the expiration of that term, no steps having been taken to continue the jurisdiction, the power of that court over its judgment and mandate ended. There is no analogy either in the facts or the necessities between the *Art Metal* cases and the Hazel infringement suit. Consequently, the court below correctly held that it had no power to disturb its judgment, even had the factual considerations moved it to do so, which the court expressly found they did not (R. 225).

Petitioner's counsel (Br. p. 33) has misapprehended the basis of the distinction from the *Art Metal* case which we urged in the court below and which that court accepted as sound. The term "pecuniarily interested" is plainly not apposite to Judge MANTON. In writing the opinions in the *Art Metal* cases, he was not sitting as a judge of cases in whose subject-matter he had a pecuniary interest but was writing opinions which had been bought and paid for in advance.

The dissenting opinion below is erroneous.

The dissenting opinion in the court below urges that the *Art Metal* cases are applicable here, not because of identity of circumstances but because of an asserted analogy in the situations (R. 228). The dissenting opinion pays no attention to the statutory limitations on the judicial power of the Circuit Courts of Appeals. It cites the Judicial Code, 28 U.S.C. § 377, as authority for the proposition that "we have at our disposal every writ necessary to protect and maintain our jurisdiction", but ignores the decisions of this Court limiting the effect of that section of the statute to cases where jurisdiction

currently exists. *M'Clung v. Silliman,* 6 Wheat. 598, 601-2, 5 Curtis 184, 186; *Adams v. U.S. ex rel. McCann,* 317 U.S. 269, 272-3. It attempts no answer to the uniform decisions on limitation of appellate jurisdiction by term beyond saying that since the petitions were granted in the *Art Metal* cases they ought to be granted here.

The arguments marshaled in support of his contention by the learned dissenting judge below led him into a wholly untenable position. He held that "The petitions in their present form are in substance bills for relief against decrees on the ground of fraud" (R. 227). He recognized that "The word 'bill' of course connotes an original action * * *" (R. 228); he rejected the suggestion that the facts alleged in the petition should be proven in a District Court on original bills or bills for review (R. 231) and concluded with the contention that proceedings should be had *in the Court of Appeals* to

> "give the petitioners full opportunity to *prove* the nature of the fraud which was practiced upon this court and that that fraud caused this court to give a broad instead of a narrow construction to the claims of the Peiler patent in issue resulting in the decrees complained of. *If such proof is made,** I think we have the power to set aside our decrees and our mandates and grant rehearings and that we should do so" (R. 241).

It thus appears that the learned dissenting judge proposes to convert the Court of Appeals into a trial court in which an original bill may be filed, witnesses may be examined and cross-examined and a decision

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* The majority concluded that not even a *prima facie* case had been made out (p. 41 *infra*).

reached, with all right of appeal denied to the losing party. Following this, if the decision be in favor of the petitioners, he would have the Court of Appeals recall a mandate issued in a term which had expired a decade before and grant a rehearing.

The dissenting opinion below thus entirely overlooks, or ignores, the fact that, by the statute creating them, the power of the Circuit Courts of Appeals is appellate only. 28 U.S.C. § 225. It also ignores the statutory prohibition on the Circuit Courts of Appeals to receive new evidence. 28 U.S.C.A. § 863 and note thereunder; *Lau Ow Bew v. United States,* 144 U.S. 47.

The learned dissenting judge also appears to have entirely overlooked the controlling decision of this Court in *Realty Acceptance Corp. v. Montgomery,* 284 U.S. 547, where this Court, affirming the Third Circuit Court of Appeals, expressly denied the right of the Court of Appeals to receive new evidence in mitigation of damages in a case where, it was alleged, a fraud had been perpetrated on the court by way of suppression of evidence, but left the unsuccessful litigant free to proceed by a bill in equity, as the court below held petitioner might do.

Petitioner evidently recognizes the legal frailty of the dissenting opinion, for it does not urge upon this Court that the course therein proposed should be followed. Petitioner urges, rather, that the Court of Appeals, on the mere allegations and affidavits filed below, should vacate and set aside its former decision without any inquiry, by way of examination and cross-examination of witnesses, into the truth of the matter, and proceed forthwith to re-hear the Hazel infringement suit (Br. p. 34). Petitioner's proposed course goes directly

counter to the holding of this Court in *Jackson v. Irving Trust Co.*, 311 U.S. 494, 499:

> "But, as the Circuit Court of Appeals observed, there was no bill of review presenting such a question and no justification for setting aside a decree upon that ground merely upon affidavits."

In the same case, entitled below as *Sorenson v. Sutherland*, 2 Cir., 109 F. 2d 714, 719, the Court of Appeals had said:

> "Moreover, if a decree is to be set aside, on the ground of fraud, nine years after it was rendered, the remedy would have to be by bill of review, which would only be allowed if the court were satisfied that the evidence was not available at the time the original suit was litigated and that it was presented without undue delay after discovery. United States v. Throckmorton, 98 U.S. 61, 25 L. Ed. 93; Central Trust Co. v. Grant Locomotive Works, 135 U.S. 207, 10 S. Ct. 736, 34 L. Ed. 97; Toledo Scale Co. v. Computing Scale Co., 261 U.S. 399, 421, 43 S. Ct. 458, 67 L. Ed. 719. In no event would there be any justification for setting aside a decree on affidavits without examination and cross examination of witnesses particularly where the affidavits proved to be contradictory in respect to important issues."

There is no conflict between the decision below and the Throckmorton and Marshall cases.

Again urging matters carefully considered and expressly and correctly decided against petitioner by the court below, petitioner (Br. pp. 29-31) seeks to take itself outside the term rule by invoking the decisions of this Court in *United States v. Throckmorton*, 98 U.S. 61 and *Marshall v. Holmes*, 141 U.S. 589.

The question of whether Hazel had a full and fair hearing and the differentiation made by the court below between the cited cases and the Hazel infringement suit are dealt with at pp. 70-3 herein, where we show why the court below correctly decided that this case presents no ground for making an exception to the general term rule.

We here point out merely that both the cited cases dealt with *original* bills brought in courts of *original* jurisdiction; that neither of those cases is authority for the proposition that an appellate court has the power to recall its mandate after the expiration of the term; and that neither is in conflict with the established rule that no such power exists.

The English cases relied on by petitioner are not applicable.

Petitioner cites three English cases (Br. p. 32). Those cases cannot control here, particularly in view of the statutory requirement of annual terms for our Circuit Courts of Appeals (p. 27 *supra*).

Terms were abolished in the English courts by the Judicature Act of 1873. Encyclopedia Britannica, 11th Ed. Vol. 26, p. 642. Consequently *The Alfred Nobel etc.*, 87 L.J.P. 183, decided in 1918, is of no persuasion here. Moreover, the Prize Court is one of original jurisdiction, and no question of mandate was involved.

Richmond v. Tayleur, 1 Peer Williams 737 (1723) and *Brooke v. Lord Mostyn,* 33 Beavan 457 (1864) are clearly distinguished on three grounds, (a) they were in courts of original jurisdiction, (b) they both involved the estates of infants and were not adversary proceedings, (c) they were prior to the decisions of this Court

in *United States v. Throckmorton*, 98 U.S. 61, and *Bronson v. Schulten*, 104 U.S. 410, which are controlling here. In neither case was relief given, the court upon consideration of each case finding that no deception inducing its prior decision had been practiced upon the court—exactly what the court below found in the case at bar.

Appended to the decision in *Richmond v. Tayleur* is a note by Peer Williams, editor of the case book, pointing out an available procedure similar to that suggested to Hazel by the court below in the case at bar, as follows:

> "Note: In this case it was held, that where an infant conceives himself aggrieved by a decree, he is not under a necessity to stay till he comes of age before he seeks redress, but may apply for that purpose as soon as he thinks fit; neither is he bound to proceed by way or rehearing or bill of review, but may impeach the former decree by an (2) original bill, in which it will be enough for him to say the decree was obtained by fraud and collusion, or that no day was given him to show cause against it; and Mr. *Cottingham* (his lordship's secretary) acquainted the court that Mr. Vernon, in case of an erroneous decree against an infant, used always to advise the bringing of an original bill to set it aside, but in such bill to allege specially the errors in the former decree."

Since the procedure followed in two of the English cases cited by petitioner was adopted in a court of original jurisdiction in cases involving the rights of infants, without adversary proceeding, and since in the third case cited by the court had no term, the same having been abolished by statute, we submit the cited decisions

are of no effect, persuasive or otherwise, in the case at bar and offer not the slightest basis for an exception to the term rule in this case.

The public interest does not require a reversal of the judgment below; it requires that the judgment below be affirmed and that petitioner be held to a procedure which would protect the rights of both parties.

Petitioner urges (Br. p. 28) that the public interest requires reversal of the judgment below. We are fully cognizant of the statements of this Court in respect of the interest of the public in patent cases. *Mercoid Corp. v. Mid-Continent Investment Co. et al.,* decided January 3, 1944; *Morton Salt Co. v. Suppiger Co.,* 314 U.S. 488. We do not question or seek to modify or impair in any way the holdings of the Court on this score. We do insist that the protection of the public interest forbids a reopening of the judgment in the Hazel infringement case at all, much less, as respondent would do, merely on allegations and affidavits without giving respondent the right to examine and cross-examine witnesses and to have an appeal as a matter of right in the event of an adverse decision.

The *Mercoid* and *Morton Salt* cases are not applicable here. No patent issues are involved in the proceeding at bar, although as we have pointed out (pp. 3, 17 *supra*) petitioner seeks to becloud the issue here by attempting a belated reargument of matters which were at issue in a patent case years ago. It involves none of the questions posed by the cases above-mentioned.

This proceeding involves three main issues—two of fact and one of law. The questions of fact are (1)

whether a material fraud was perpetrated on the court below, serving to prevent petitioner from making a full and fair defense, and inducing the court below to an erroneous decision, and (2) whether petitioner was guilty of laches. Petitioner failed to make a showing even sufficient to move the Court of Appeals to grant petitioner permission to apply to the District Court for leave to file a bill of review (see p. 23 *supra;* cf. *Raffold Process Corp. v. Castanea Paper Co.,* 3 Cir., 105 F. 2d 126, 129, which shows the liberal attitude of the court below in granting such leave).

The question of law, namely, whether long after expiration of the term in which its mandate was entered the court below had any power to recall that mandate, was likewise decided against petitioner. That decision was solidly bottomed upon prior decisions of this Court and long uniformly followed by the lower courts.

Petitioner has had its full day in court. The court below by its careful and conscientious consideration of the issues involved, has fully protected the public interest.

The public interest forcefully requires affirmance of the judgment below, for parties should be protected from being harassed by endless litigation, and the finality of decisions by properly constituted courts should be recognized.

Respondent contends, of course, that petitioner is entitled to no relief for the reasons pointed out in the decision of the court below on the merits and on petitioner's standing to seek relief and also on the other grounds herein set forth. But respondent never has denied there always was available to petitioner a proper

procedure—namely, the filing of an original bill in a court of original jurisdiction.

The view taken by the court below as to the proper procedure was as follows (Opinion, p. 226):

> "If either Hazel-Atlas or Shawkee feels itself aggrieved by reason of fraud attaching to the procurement of the Peiler patent, the course is open to them to file original bills to impeach the decrees, now standing against them in the District Court, on the ground of the alleged fraud in the issuance of the patent whereof the decrees are predicated. Dowagiac Mfg. Co. v. McSherry Mfg. Co., 155 Fed. 524, 527-528; Cyclopedia of Federal Procedure, Vol. 4 § 1159, pp. 342-345."

And to advert again to "the public interest", the court below points out that if the authorities feel that the public interest has not already been fully considered and protected the government itself may act. The court said, (Opinion, R. 227):

> "Nor is the United States, which has filed a brief herein as *amicus curiae*, helpless to annul a patent that has been fraudulently obtained. United States v. American Bell Telephone Company, 128 U.S. 315, 370. But its recourse in such regard is by direct action to that end. In this instance, however, the Government, as its brief expressly states, 'is not at present seeking to intervene in the instant suits, nor is it now taking steps to have the patent here involved annulled.'"

It is respectfully submitted that the decision of the court below, rejecting the prayers of an improper petition filed in an abortive proceeding, should be affirmed.

Second Point

There was no fraud in the preparation and publication of the Clarke article, or in its use by respondent in the Patent Office or in the Circuit Court of Appeals. The Clarke article was not material to the decision of the Court of Appeals.

In the opening portion of this brief (pages 10-14) we have discussed the origin and preparation of the Clarke article and the fact of its truth. There was no fraud because (1) the Clarke article was true, (2) the article was Clarke's when it was published, and was in good faith so regarded and referred to by respondent's counsel, and (3) the article did not procure the issuance of the Peiler patent involved in the Hazel infringement suit, nor was it material to the 1932 decision of the court below in that suit.

The Clarke article was true as published, and was so regarded by respondent's counsel

In the seventeen years since the Clarke article appeared, no one has found any inaccuracy in the article *as published*. Petitioner did not challenge its accuracy below. Its present criticisms, apparently born of the exigencies created by the findings below, are without merit (pp. 12-14 *supra*).

If there were any inaccuracy in the article, (which we deny) it seems extraordinary that neither petitioner, to whose attention the article had come shortly after its publication, nor its hired investigators, have before now discovered any falsity in any part of the article, in view of the fact that it was published in 1926, and

was the subject of discussion in Hazel's councils at the time of the trial at Pittsburgh in 1929 (R. 188).

Petitioner seeks (Br. p. 8) to bolster its claim of falsity by a letter from Hatch to Carter dated April 19, 1926 (R. 101). Between that date and the publication of the article in July, 1926, it was redrafted, the chart was amended, and "all errors which were dependent upon facts capable of being made more nearly exact were corrected before the final draft which was published was made" (R. 62).

Petitioner's contention really reduces itself to the proposition that the article was untrue, and was an imposition upon the Patent Office and the Court of Appeals, because it was originally drafted by Hatch and not by Clarke. From this ground of attack, the petitioner is barred by laches and lack of diligence as pointed out below. However, the facts that the article was based primarily upon the published proceedings of the Glass bottle Blowers' Association (R. 70)*, that Clarke approved and signed it and that Maloney, President of the Glass Bottle Blowers' Association, approved it and vouched for its truth effectually remove the ground of petitioner's claim.

Clarke adopted the article as his own. In legal proceedings, it is customary for attorneys to prepare affi-

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* A columnar presentation is in the Record, pp. 195 *et seq.*, showing source materials for all those portions of the article quoted in the 1932 opinion of the court below in the Hazel infringement suit, including excerpts from the Bottle Blowers' Proceedings, from the appeal record in that suit, from court decisions, from an official Government publication, etc.

davits for persons whose written testimony is desired, and for those persons to sign them after checking over the attorney-prepared drafts. Similarly, the Clarke article was prepared by a Hartford attorney from union minutes, and was signed, after careful checking, by Clarke. To use a common phrase, Hatch was a "ghost-writer". When Clarke had thus carefully checked over the ghost-written article, revised it where he considered it erroneous, and then adopted it as his own, Hartford properly regarded the article as Clarke's, and properly used it as such.

If the Clarke article had been submitted to the Patent Office in the form of an affidavit, no criticism whatsoever of Hartford or its counsel could possibly arise. As a matter of fact, Mr. Clarke did subsequently execute an affidavit as to the correctness of the article (R. 89). Inasmuch as the article was true, as Hazel's counsel realized and acknowledged (R. 189), and as Hartford's counsel also recognized and believed (R. 54, 56, 72, 92), and inasmuch as the article was in effect Clarke's, he having checked, corrected, sponsored and signed it, the mere question of the form in which its contents were submitted to the Patent Office is immaterial.

Petitioner characterizes respondent's activities in connection with the Clarke article as fraudulent. Wherein is there any fraud? If the alleged fraud is that Hatch initially drafted the article, the answer is that it was true, that Hatch took every possible precaution in making the article true before publication, and that it was adopted by Clarke as his own. If the alleged fraud was in citing the article to the court below, the answer is that the facts on the point for which the article was cited

were true, that the court must have realized lack of competence of the article under technical rules of evidence, that the court did not treat it as one of the "proofs", and that petitioner must be presumed to have considered the matter inconsequential because of its failure to seek rehearing upon this ground. The fraud cannot be predicated upon Judge BUFFINGTON'S quotation from the article because, as hereinafter set forth (pp. 48-53, *infra*), the quotations from the Clarke article were not essential to the court's conclusions, which were founded upon and fully supported by other testimony and exhibits properly before it. If the alleged fraud is in respondent's failure to disclose its connection with the preparation and publication of the article to petitioner, the answer is that the petitioner was not deceived because it already knew the article had been originally drafted by Hatch, and the court was not deceived because it saw fit to take no action when the authorship of the article was challenged in 1934 (Opinion, R. 222-223).

If petitioner did not consider the matter of sufficient importance to call to the court's attention, it is difficult to see how respondent's failure to do so can be termed fraudulent. It is plain that the parties and the court were in agreement that the article was mere background.

Respondent submits that the circumstances relied on by petitoner do not constitute fraud. The ultimate fact remains inescapable that Clarke reviewed the article, made changes in it, approved it, assumed responsibility for its accuracy, and published it to the world over his signature and with his sponsorship. It is therefore submitted that no fraud was committed by respond-

ent's attorneys at any time in referring to the Clarke article, either in the Patent Office or in the Circuit Court of Appeals.

Futhermore, whatever happened in the Patent Office was something which, if it were to have been made an issue at all, should have been presented to the District Court for its consideration, and Hazel, having decided not to do so, cannot later complain. Cf. *Cromwell v. County of Sac*, 94 U.S. 351, where this Court said:

> "Thus, for example, a judgment rendered upon a promissory note is conclusive as to the validity of the instrument and the amount due upon it, although it be subsequently alleged that perfect defenses actually existed, of which no proof was offered, such as forgery, want of consideration, or payment."

The Clarke article was not material to the Court of Appeals' decision in the Hazel infringement suit

The court below held in the instant case:

> "But, wholly apart from the Clarke Article, the majority of the court in the Hazel-Atlas case, upon turning to *'the proofs'*, drew their own conclusions in support of the action which the court thereupon took. • • • such was the primary basis of the majority opinion in the Hazel-Atlas case • • •. • • • what was held in the Hazel-Atlas case *was the court's independent judgment, regardless of the Clarke article.*" (Opinion, R. 224).

That this finding is correct is demonstrated by a reading of the Clarke article itself. It is further demonstrated by a comparison of the District Court's decision

(39 F. 2d 111) with that of the court below (59 F. 2d 399).

The District Court rested its opinion primarily upon its conclusions, first, that Peiler was not entitled to a date of invention prior to May 5, 1919 when the application for the patent in suit was filed and that as of that date he had been anticipated in the art so far as broad invention was concerned, and second, that disclaimers of other claims filed in the Patent Office by Peiler, had narrowed the scope of the claims in suit.

On appeal, the Court of Appeals found that Peiler was entitled to an earlier date of invention, that his "paddle-needle" feeder (which was the first commercial plunger feeder, and was commercially operated in the spring of 1918; p. 17 *supra*) embodied the invention of the patent in suit, and that, reading the disclaimers in the light of the applications in which the disclaimed claims originated, Peiler had made no disclaimer which affected the claims in suit. None of these matters is referred to in the Clarke article. Therefore, the subject matter of the Clarke article did not bear on either of the basic points as to which the Court of Appeals differed with the District Court.

The truth of the parts of the article relating to the supplanting of stream feeding by gob feeding is recognized by the court below (Opinion, R. 223-4); and is shown by the District Court's opinion in the Hazel infringement suit (39 F. 2d 111-2, "The unsatisfactory results of stream feeding led to suspended charge or 'gob feeding' * * *"); by the patent application filed

by the Shawkee petitioner, Haub* (R. 87-9); and by the admission of petitioner's counsel (R. 189).

Moreover, the opinion of the Court of Appeals in the infringement suit, written by Judge BUFFINGTON (39 F. 2d 399), itself plainly shows that the opinion was not based upon the Clarke article. It is apparent from the opinion that Judge BUFFINGTON read widely outside the record, as was proper for him to do,† in order to add color and interest to the historical background given in his opinion. For example, he referred in his opinion to the building of glass factories by the Jamestown colonists to make beads for the Indians, and to the history of the window glass art; neither of which matters appears in the Clarke article or elsewhere in the record of the infringement suit, and neither of which was referred to in Hartford's brief.

But it is even more apparent from the opinion that its references to the Clarke article, as well as its references to a German book and to an address before an English technical society, *were not relied on by the court below for any of its conclusions.* The court's conclusions were reached independently of the Clarke article. When Judge BUFFINGTON finished with his historical background, including his quotations from the Clarke article, he took up the issues in the case before the court. He said, 59 F. 2d, p. 404:

> "We turn to the *proofs* for the steps leading up to this development."

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* See our brief in the Shawkee case at No. 423 pp. 18-9.

† *Brown v. Piper,* 91 U.S. 37.

Many pages are then devoted to a discussion of the *proofs* upon various aspects of the case, the references to the *proofs* being accompanied by references to various opinions of other courts in harmony with the views expressed in Judge BUFFINGTON'S opinion. This discussion includes references to the *proofs* on at least thirteen different matters, and there are at least seven references to the decisions of other courts.

Judge BUFFINGTON'S references to the *proofs* following the above-quoted statement, included the following:

1. Peiler's testimony as to the history of his early feeder developments (59 F. 2d, pp. 404-405).

2. The Peiler phase-change patent 1,573,742 and its showing of the Hartford paddle feeder (pp. 405-406).

3. Proofs as to the characteristics of the Peiler paddle feeder (p. 406).

4. Proofs as to the commercial success of the Peiler paddle feeder (pp. 406, 408).

5. Peiler's testimony as to the limitations of the Peiler paddle feeder (p. 407).

6. Peiler's testimony as to feeding from a downwardly opening discharge orifice, the tendency of the glass issuing from such an orifice to form a "tadpole" shape, and his idea of alternate acceleration during the discharge, "stuffing" to fatten the charge and prevent the "tadpole" shape, and retardation to interrupt the discharge (p. 407).

7. Proofs that the paddle and plunger devices were progressive steps, that the plunger could be added to the

paddle device and that the plunger device was bottomed on the paddle feeder work (p. 407).

8. Proofs of the urgent demand of the industry (p. 408).

9. Proofs of the extensive commercial acceptance of the Peiler plunger feeders without advertising and on their own merits, including the use of such feeders by the Owens company (pp. 408-410).

10. Proof that the Peiler plunger feeder of the paddle-needle type was the first plunger feeder ever commercially used (p. 408).

11. Reference to *"our study of the art"* (p. 409).

12. Proof that the cost of Peiler apparatus was only one-fifth of the cost of an Owens bottle machine (pp. 408, 410).

13. Proofs as to prior art patents not showing Peiler's combination (pp. 411, 412, 413). He referred, for example (p. 412), to "alleged anticipation which absolutely did not disclose Peiler's device", and stated (p. 413) "not only does every prior patent fail to show Peiler's combination * * *."

The references to decisions of other judges recited by Judge BUFFINGTON in connection with his discussion of the proofs include the following:

1. Findings of the Master and of Judge HOUGH in the *Kearns-Gorsuch** case as to the urgent demand for feeders in 1913 (p. 404).

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* The Kearns-Gorsuch Bottle Company, a subsidiary of the petitioner, Hazel-Atlas, was a defendant in one of the cases reported at 58 F. 2d 701, 6 Cir., *Hartford-Empire Co. v. Nivison-Weiskopf Co.*, etc.

2. Judge GIBSON's statement as to the difference between stream feeding and gob feeding (p. 404).

3. Judge THOMAS' opinion in the *Brooke* case* as to the Peiler paddle feeder (p. 406).

4. Judge GIBSON's statement as to the defects of stream feeding (p. 406).

5. Judge GIBSON's recognition of the worth of the Peiler plunger feeder (p. 408).

6. Judge HOUGH's recognition of the novelty of the Peiler plunger feeder (p. 408).

7. Judge THOMAS' recognition of the differentiation between the Hartford feeding system and stream feeding (p. 408).

Petitioner's brief, pp. 18-19, refers to a sentence from the Clarke article which is quoted twice by Judge BUFFINGTON (59 F. 20, pp. 404, 407). The second quotation, p. 407, was accompanied by the comment that the "keen accuracy" of this language *"will be better appreciated from what has been shown in the intervening part of this opinion"*. The "intervening part of this opinion" deals with the evidence in the record, summarized above, as to the development and characteristics of the Peiler system of feeding.

It is thus evident that Judge BUFFINGTON's opinion, far from being based upon the Clarke article, was based upon the *proofs* in the record. A reading of the article

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* *Homer Brooke Glass Co. and The Owens Bottle Machine Co. v. Hartford-Fairmont Co.*, 255 Fed. 901 (D.C. Conn.); affirmed 262 Fed. 427 (2d Cir. 1919).

will demonstrate that it was quoted by Judge BUFFINGTON merely as affording convenient statements of background in harmony with the views derived by the court from its own study of the proofs of record.

Therefore, the finding of fact by the court below, that the Clarke article was not material to that court's 1932 decision, is clearly correct. This, without more, is sufficient to dispose of this case.

Third Point

The court below correctly held that petitioner had made no timely representations to that court concerning the Clarke article, and that petitioner, because of its laches, had no standing to seek the relief for which it petitioned.

The court below held:

"In short, Hazel-Atlas made no timely representations to this court concerning the Clarke article." (Opinion, R. 221)

* * * * * * *

"Not possibly can the information as to the facts attending the publication of the Clarke article be deemed to rate as after-discovered evidence so far as either Hazel-Atlas or Shawkee is concerned." (Opinion, R. p. 223)

* * * * * * *

"So far we have considered this matter on the merit of the petitioners' allegations and *their standing to seek the relief for which they petition;* and we conclude against them on both grounds." (Opinion, R. 225)

These findings by the court below are manifestly correct. With knowledge of the facts now complained of, viz., the circumstances surrounding the authorship and publication of the Clarke article, and with such knowledge that it could have learned and proved *every* fact relevant to this matter if it had exercised even the slightest diligence, petitioner nevertheless chose to stand idly by for *over nine years*. Meanwhile, it made a cross-license agreement with respondent which proved highly profitable to petitioner. In 1941, when the contract became unprofitable to petitioner, it changed its mind and began the proceedings now under review. It would be hard to conceive of a plainer case of laches.

One who undertakes to impeach a judgment for fraud must be free from negligence in himself or his agent. 4 Cyc. of Fed. Proc., Sec. 1159, p. 343. He must not be guilty of laches. *Ibid.* He must have exercised diligence in discovering the fraud and in presenting it to the court. *Toledo Scale Co. v. Computing Scale Co.*, 261 U.S. 399, 425; *National Brake & Elec. Co. v. Christensen*, 254 U.S. 425, 430; *Eclipse Machine Co. et al. v. Harley-Davidson Motor Co. et al.*, 3 Cir., 286 Fed. 68, 69.

The undisputed facts

(1) During or prior to the trial of the Hazel infringement suit, in 1929, Hazel knew and was in a position to prove by Hatch's *admission* to Wood, as well as by Clarke, that Hatch had initially drafted the Clarke article (Wood affidavits, R. 28, 30, 182, 187-189).

(2) *During the Hazel trial,* the Hazel "defense group" discussed the Clarke article in detail, and the possibility of its being utilized "in defendant's favor or

to plaintiff's embarrassment", (R. 188). Hazel's counsel, with knowledge that the article had been prepared in the first instance by Hatch, decided not to make any attack upon it or its authorship, because (a) the facts contained in it as to the widespread use and commercial success of the Hartford type of feeder were "freely admitted by everyone concerned in the suit and could not be successfully controverted"; and (b) "an attack on the article might be a boomerang" in that it might *emphasize* the truth of those parts of the article which were of any possible pertinence. In other words, Hazel refrained from attacking the article at the trial because its counsel believed that its authorship was unimportant and that any attack on the article would merely *emphasize its truth*. (R. 188-189; Opinion, R. 219-220).

(3) In May, 1932, Hazel employed one McCarthy to make a further investigation of the Clarke article. On May 13 and May 24, 1932, McCarthy interviewed Clarke at Toledo. (R. 19, 23). Clarke said that "every word of that article is true and I will stand by it", and "of course if I am subpoenaed I will give all the facts as I know them" (R. 20, 24). No steps were taken to subpoena Clarke, and McCarthy apparently had no interest in procuring Clarke's affidavit that the article was true.

(4) On May 17, 1932, less than two weeks after the decision of the Court of Appeals, Hazel procured the affidavits of the Messrs. Wood, *entitled in the appeal in the Hazel case and in the Third Circuit Court of Appeals*, setting forth Hatch's *admission* that he had drafted the article. (R. 26, 29). Subsequently, Hazel also had the affidavit of its investigator, McCarthy (R. 190), in which McCarthy said that Clarke had admitted to him that

certain essential parts of the article, including the chart, had been furnished by Hartford (pp. 58-9 *infra*).

Notwithstanding all of the matters just stated, petitioner made no effort to lay before the Court of Appeals the fact that the article had been drafted initially by Mr. Hatch and not by Mr. Clarke, or to seek a rehearing or reversal of the court's decision on that ground, although five separate extensions of the time to apply for rehearing were allowed (Opinion, R. 221). Nor did Hazel ever seek to ascertain from Hartford, or from Hatch, whether the article had been written by Clarke or by Hatch.

(5) On July 21, 1932, Hazel entered into a cross-license agreement with Hartford settling the controversy between them, (R. p. 184). *Although by the terms of the agreement Hazel could cancel on six months' notice, it has never attempted to exercise that option* (R. 161, 162).

There is no support whatever in the record for Hazel's assertion (Br. p. 4) that the settlement was made because of inability to obtain proofs for the purpose of filing a petition for rehearing. The proofs indicate the opposite, because Hazel did in fact procure the affidavits of Messrs. Wood entitled in the case but elected not to use them (pp. 55-6 *supra*), and "neither the Clarke article nor its authorship was ever discussed at any time during the negotiations leading up to the Hartford-Hazel-Atlas contract" (R. 161).

(6) In December, 1939, the Government filed its complaint in the Toledo Anti-Trust suit, reciting therein detailed allegations as to the preparation and publication

of the Clarke article. Hazel is one of the defendants in that suit.

(7) The original petition herein was not filed until twelve years and seven months after Hazel decided not to attack the article during the trial in 1929, nine years and five months after Hazel decided not to attack the article after the Court of Appeals' decision in 1932, and twenty-three months after the Government's complaint was filed in 1939.

Petitioner's lack of diligence

If petitioner ever intended to make any point of respondent's connection with the preparation and publication of the Clarke article, it should have done so, at the latest, when respondent made incidental reference thereto in its brief on appeal to the Court of Appeals in 1931.

Even assuming arguendo that petitioner's failure to raise the point at that time was justified (which we deny) because of its contention that the article was not competent against it, there is no excuse whatsoever for its failure to raise the issue after the Court of Appeals' opinion was handed down and to acquaint that court with the knowledge and information which it then had if it ever intended to do so. *Manifestly, petitioner agreed with respondent and the court that the Clarke article was not essential or material to the court's conclusion, else it would have moved for rehearing on the ground of the lack of competence of the article.*

Petitioner seeks to justify its delay in presenting to the court below its knowledge as to the authorship of the Clarke article by characterizing that knowledge as "contradictory information" (brief, p. 26). But Hatch's frank disclosure to the Woods (R. 30), communicated to Hazel's counsel (Wood affidavit, R. 188) was an *admission*, provable as such; and Hazel could have proved by deposition the following statements by Clarke to Hazel's investigator McCarthy:

"No, I didn't write that part of the article", referring *inter alia* to the last paragraph of R. 130 (R. 21.)

"* * * that he did not prepare the chart and did not collect the material which is the basis of the chart." (R. 21)

"A lot of material from which the Budget article was prepared was furnished me by others, and some of it may have been furnished by the Hartford-Empire Company." (R. 21)

"* * * he told Wood [in 1926], as he had told me [McCarthy], the Hartford-Empire Company may have furnished him with certain material and information on which the article was based." (R. 22)

"* * * Mr. Clarke * * * admitted that certain essential parts of the article, particularly parts relating to Gob Feeders and the diagram entitled 'Relative Bottle Production on Owens Machines and Gob Feeders' were not written by himself but furnished by representatives of the Hartford-Empire Company" (R. 193).

If petitioner ever had any serious thought of bringing this matter to the attention of the Court of Appeals, it would have subpoenaed Hatch and Clarke.* Hatch had freely admitted his initial authorship of the article to the Messrs. Wood, who were counsel for Nivison-Weiskopf Company, defendant in another infringement suit brought by respondent, and whose relationship therefore to Hatch and to respondent was exactly that of counsel for petitioner. If petitioner or its counsel had ever asked Hatch, either informally or under subpoena, as to his part in the preparation and publication of the Clarke Article, Hatch would have freely stated the facts, just as he did to the Messrs. Wood and just as he did when examined by the Government in the Anti-Trust trial in Toledo. Petitioner never even made inquiry of Hatch or any other representative of respondent as to the article, its authorship, authenticity or accuracy. This fact in and of itself constitutes such negligence on the part of the petitioner as to bar it utterly from now seeking equitable relief.

Hazel's inactivity should be considered in two aspects, (a) as to its situation at the time of the trial of the infringement suit in 1929, and (b) as to Hazel's situation over the period of nearly ten years between the decision of the Court of Appeals and the filing of Hazel's original petition herein.

As to (a), the situation at the time of the trial: It is settled law that evidence does not rate as "newly discovered" unless it has come to light under circumstances

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* Clarke flatly stated to Hazel's investigator McCarthy in May of 1932 that he would give all the facts if subpoenaed (R. 24).

which show that it could not with reasonable diligence have been discovered in time for and produced *at the trial*. *Pickford v. Talbot*, 225 U.S. 651, 661; *Toledo Scale Co. v. Computing Scale Co.*, 261 U.S. 399, 421. At the trial of the infringement suit, Hazel not only "had continuously in its hands the thread which, if followed,"* would have led to the facts, but had the very evidence and decided not to present it (pp. 6-7, 55, *supra*).

As to (b), Hazel's situation from 1932 to 1941: After the decision of the Court of Appeals, Hazel had affidavits in proof of the facts but again deliberately withheld the evidence from the court (pp. 8, 56, *supra*). The opinion of the Court of Appeals was handed down May 5, 1932. In the Fall of 1933, while the Shawkee case was under advisement by that court, Hazel's counsel was asked by counsel for Shawkee for information in corroboration or enlargement of the facts Shawkee then had on the subject. Instead of complying with the request of Shawkee's counsel, counsel for Hazel put him off on the ground that his recollection was "too indefinite to be positive", and that he "would have to go through the voluminous collection of papers relating to the various Hartford-Empire litigations, including correspondence, * * *" (R. 82-3). Thus Hazel's counsel had the matter again invited to his attention in the Fall of 1933 and was presented with another opportunity to bring the matter before the Court of Appeals but chose not to do so, evidently in recognition of the fact that the Clarke article had not been the basis of the Court of Appeals' decision.

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* *Toledo Scale Co. v. Computing Scale Co.*, 7 Cir., 281 Fed. 488, 499.

After this episode, Hazel again lapsed into satisfied somnolence for another eight years. It is not shown that Hazel was moved to activity by the filing of the Government suit in Toledo, in December, 1939 (p. 57 *supra*), even to the extent of making inquiry of the Department of Justice. It waited for nearly two more years, and until the license agreement became unprofitable to it (p. 68 *infra*) before acting.

In view of what has just been pointed out, clearly there is no merit in Hazel's retrospective contention (Br. pp. 4-5, 25-6) that because Shawkee failed in 1934 to convince the court below that the genesis of the Clarke article was of any pertinence whatever to its 1932 decision, it would have been futile for Hazel to make a like attempt in 1932. That could not have been the basis of Hazel's inactivity prior to 1934, and was not the basis of its inactivity thereafter.

Petitioner further attempts to excuse its lack of diligence by asserting that its 1932 investigation was "thwarted by Hartford" (brief, p. 25) and "prevented by Hartford and Owens getting first to Clarke" (brief, p. 4). But Mr. Hatch, the only Hartford representative who interviewed Mr. Clarke swears:

> "At no time did I, nor so far as I know did anyone else, ask or suggest to Mr. Clarke that he withhold any information from anyone regarding the article or my connection with it." (R. 66)

And in connection with allegations in the original petition herein that Hatch had "talked to Clarke who then changed his formerly cooperative attitude towards

Hazel-Atlas" and that "the endeavors of Hazel-Atlas to investigate the facts concerning the Clarke article * * * were hampered and prevented by Hartford." Mr. Hatch further swears:

> "Both these statements are untrue in so far as they state or imply that I influenced the attitude of Mr. Clarke toward the Hazel-Atlas Glass Company, or hampered or prevented the Hazel-Atlas investigation. I have never at any time asked Mr. Clarke or anyone else to refrain from giving information to the Hazel-Atlas Company." (R. 70-1)

Unjustifiable insinuation as to money paid Clarke

Although not supported by the record, petitioner's brief p. 24 insinuates that the money paid to Clarke by Hartford in August 1932 was paid for a corrupt purpose and in fulfillment of a promise made to induce him not to impart information to the petitioner's investigator, McCarthy.

Petitioner's brief states that on May 23, 1932 Hatch went to Toledo, saw Clarke and also saw him the next day, which was the same day that McCarthy saw Clarke. Petitioner's brief then says:

> "There is no evidence as to what Hatch said to Clarke on those two days, but Hatch admitted in the anti-trust trial that on July 22nd (which was immediately after the Hazel Company had signed its Hartford license, and when it was too late for Hazel to apply for a rehearing), that he gave Clarke $500 *in cash* (italics in original)."

Petitioner thus insinuates that Hatch influenced Clarke on or about May 23rd, and before the settlement of Hazel had been closed, to refrain from giving information to Hazel by the promise of a payment of money. The insinuation is refuted by the record, which establishes the following facts:

No request for money was made by Clarke until July 22, *after* the execution of the settlement agreement. This request was "a complete surprise" to Hatch. No money was paid until August 4th or 5th, when Clarke received $500, and August 11th, when he was paid $7500 (R. 67-9, 57-8). The payments were made in cash because Clarke so requested (R. 68).*

Clarke faced a sudden financial emergency arising out of the loss of his position as President of the Union and the failure of his Union bank (R. 37, 67). Hartford gave him employment to tide him over his emergency (R. 68). His request for money was forced by these circumstances, and the payments had nothing to do with the Hazel litigation, or with Hazel's investigation of the authorship of the Clarke article (R. 66-7).

In Hatch's affidavit herein (R. 69) he says:

> "So far as I know, Mr. Clarke made no request for money prior to July 22, 1932 of any person connected with the Hartford-Empire Company, and I am confident I should have known it if he had made such a request. His request of July 22, 1932 came as a complete surprise to me."

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* The Court will take judicial notice that the Summer of 1932 was a time of financial distress and many bank failures.

Nor did the payments to Clarke in any way interfere with Hazel's so-called investigation or prevent Hazel from obtaining any information it desired. Hatch says (R. 70):

> "On page 5 of the Hazel-Atlas petition [in the court below], it is said that I
>
> > 'talked to Clarke who then changed his formerly cooperative attitude towards Hazel-Atlas',
>
> and on page 6 of the Hazel-Atlas petition, it is said that
>
> > 'the endeavors of Hazel-Atlas to investigate the facts concerning the Clarke Article, after the opinion of this Court on May 6, 1932 relied upon it, were hampered and prevented by Hartford.'
>
> Both these statements are untrue in so far as they state or imply that I influenced the attitude of Mr. Clarke toward the Hazel-Atlas Glass Company, or hampered or prevented the Hazel-Atlas investigation. I have never at any time asked Mr. Clarke or anyone else to refrain from giving information to the Hazel-Atlas Company."

Hatch also says (R. 66):

> "At no time did I, nor so far as I know did anyone else, ask or suggest to Mr. Clarke that he withhold any information from anyone regarding the article or my connection with it."

The imputation in petitioner's brief and in its petition in the court below that Hatch's activities hampered and prevented petitioner from getting important evidence is followed in the brief by a claim that this left petitioner with merely hearsay evidence which would have been useless in applying for rehearing. The fact is

that on May 17, 1932 (R. 26) petitioner had obtained an affidavit from William R. Wood that Clarke had told him "I did not write that article. It was prepared and written by a Mr. Hatch, an attorney for the Hartford-Empire Company, and he induced me to sign it, which I did" (R. 29); and the petitioner had an affidavit of Edmund P. Wood that "Mr. Hatch at all times has freely admitted to me that he was the real author of this article" (R. 30). Moreover it would have been a simple matter at that time to take Clarke's testimony pursuant to subpoena.

Not only is petitioner's insinuation unsupported by the record, as pointed out above, it is also refuted by the surrounding circumstances. There was no reason why Hatch should have then sought to conceal his connection with the article, because Hatch had always theretofore freely admitted it to Wood and must have assumed that Hazel was aware of this admission.

Finally, petitioner's innuendo is belied by its own investigator, McCarthy, who stated under oath (R. 193) that on May 24, 1932, *which was after Hatch had seen Clarke,* Clarke * * * "admitted that certain essential parts of the article, particularly parts relating to Gob Feeders and the diagram entitled 'Relative Bottle Production on Owens Machines and Gob Feeders' were not written by himself but furnished by representatives of the Hartford-Empire Company." This information was fully as open an admission on Clarke's part as the one he made at the first interview with McCarthy on May 13 (R. 21) and refutes the insinuation that a promise of money had induced him to change his attitude.

The circumstances of the publication of the Clarke article and its incidental citation in plaintiff's brief on

appeal to the Court of Appeals in 1931 cannot be converted into fraud by petitioner's baseless characterization of an event which occurred after the petitioner, with full knowledge of what it now claims to be the material facts (namely, that Hatch initially drafted the article and Hartford arranged for its publication) settled its controversy with the respondent.

The payments made to Clarke were lawful and proper, were made years after Clarke and Hatch had severally acknowledged Hatch's initial authorship of said article, and in no way prevented petitioner from establishing the facts as to the original authorship of the said Clarke article at, prior to or just after the decision of the court below, or at or prior to the trial of the Hazel infringement suit in the District Court, had petitioner elected to do so.

Death of key witnesses during period of Hazel's inactivity

By its long inaction, Hazel has deprived Hartford of the testimony of at least three key witnesses—William R. Wood, William J. Belknap and Thomas G. Haight, all now dead. These men had personal knowledge of facts whose proof would be important to Hartford in rebutting any evidence which might be taken on behalf of Hazel. Therefore, Hazel's inaction was not only lack of diligence. It was also laches.

Petitioner's laches and lack of diligence in presenting its evidence having been shown, the petition was rightly dismissed by the court below, irrespective of every other consideration in this case.

Fourth Point

Petitioner is barred from seeking the relief for hich it petitions, by its own election to settle its con-oversy with respondent and to abide by that settle-ent so long as the settlement was profitable to it.

Without disclosing to the court below its knowledge f the genesis of the Clarke article, petitioner entered nto an agreement with respondent which settled the ontroversy between the parties and under which peti-oner profited materially. Petitioner has now been de-rived for the time being of its profits from the agree-ent, but having for years elected to abide by the 1932 dgment in the Hazel infringement suit and to affirm e 1932 settlement based thereon, petitioner is not en-tled to the relief it now belatedly seeks.

The precise knowledge that petitioner had of the enesis of the Clarke article and the circumstances sur-ounding its publication, and the dates on which it ac-uired such knowledge are set forth above under the hird Point (*supra,* pp. 53-61). Notwithstanding that nowledge, petitioner, without disclosing its information o the court below, or proceeding to take any steps to ursue the inquiry, *settled its controversy* with respond-nt before the entry of that court's judgment, took a cense under numerous patents, including the patent in uit, and agreed to pay royalties under the license. The greement was, and is, terminable by petitioner at its ption at any time upon six months' notice. Petitioner as never availed itself of this provision.

On May 9, 1941, the District Court for the Western Division of the Northern District of Ohio during the trial of an antitrust suit against respondent, petitioner and others, impounded the moneys payable under the contract by petitioner to respondent and by respondent to petitioner. Except for the effect of the impounding order, the agreement remains in full force and effect (R. 162-3).

The payments made by respondent to petitioner between the date of the agreement and December 31, 1940 exceeded the payments made by petitioner to respondent covering damages for past infringement and royalties by $678,422.26 (R. 162).

Petitioner, by entering into the settlement agreement with full knowledge or opportunity for knowledge of the facts as to the preparation and publication of the Clarke article, elected to stand upon the judgment of the court below and upon the provisions of its contract.

> "* * * the law is clear that he cannot take the benefits of that contract and repudiate its burdens." *McLean v. Clapp,* 141 U.S. 429, 432.

> "The power of avoidance for fraud or misrepresentation is lost if the injured party after acquiring knowledge of the fraud or misrepresentation manifests to the other party to the transaction an intention to affirm it, or exercises dominion over things restoration of which is a condition of his power of avoidance, except as stated in Section 482". A. L. I. Restatement, Contracts, Section 484. (Section 482

is not in point because it deals only with offers of return performance.)

"So in case of a transaction claimed to be voidable for fraud, if the person defrauded with knowledge affirms the contract either by suing on it or otherwise, he cannot afterwards repudiate it * * *" *Nuveen v. Board of Public Instruction,* 5 Cir., 88 F. 2d 175, 181.*

"Silence, delay, acquiescence, or the use or retention of any of the fruits of the contract for any considerable length of time after a discovery of the fraud is in itself an exercise of the option, and constitutes a complete and *irrevocable ratification of the transaction.*" Wheeler v. McNeil, 8 Cir., 101 Fed. 685, 689.

By not exercising its option to cancel the agreement pursuant to its terms and by accepting the large financial benefits of the agreement for *nine years,* petitioner has recurrently affirmed its election and cannot now repudiate it by belatedly seeking to reopen the judgment below.

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* The case cited held there was no election, but the soundness of the proposition quoted is unquestioned.

Fifth Point

The court below correctly found that the alleged fraud did not prevent petitioner from making a full and fair defense.

The court below (Opinion, R. 223-4), after pointing out that petitioner did not deny the factual truth of the Clarke article "in material part, namely, the ascendency of gob-feeders over stream feeders", said that

> "counsel for Hazel-Atlas recognized in April 1929 that the only statements in the Clarke article of any possible pertinence were * * * freely admitted by everyone concerned with a Hartford suit as being incontrovertible. (See affidavit of Edmund P. Wood, Esq.*) To be material, the fraud, whereby a decree was allegedly obtained, *must have prevented the party complaining from making a full and fair defense.* Toledo Scale Co. v. Computing Scale Co., 261 U.S. 399, 421."

The leading case is *U. S. v. Throckmorton*,† 98 U.S. 61, where this Court said (p. 65):

> "There are no maxims of the law more firmly established, or of more value in the administration of justice, than the two which are designed to prevent repeated litigation between the same parties in regard to the same subject of controversy; namely, *interest rei publicae, ut sit finis litium,* and *nemo debet bis vexari pro una et eadam causa.*"

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* R. p. 189.

† Cited recently in this Court's opinion in *Schneiderman v. United States*, 320 U.S. 118, decided June 21, 1943 and cited also in Mr. Justice RUTLEDGE'S concurring opinion in the same case.

This Court then held that a court of equity has the power* to set aside a judgment after the term of the court in which it was entered upon the ground of fraud, *but only* when "there was in fact no adversary trial or decision of the issue in the case", *only* where "the unsuccessful party has been prevented from exhibiting fully his case, by fraud or deception practiced on him by his opponent", and *only* where "there has never been a real contest in the trial or hearing of the case".

Petitioner contends (brief p. 31) that it was "prevented 'from exhibiting fully' * * * its case" in the Hazel infringement suit, but the fact is, as found by the court below and as shown above (pp. 7-8, 55), that petitioner, with full knowledge of the facts, decided at the trial not to raise any question regarding the authorship of the Clarke article, feeling that to do so would merely emphasize the truth of its statements, and so prove a boomerang. Morever, neither in the proceedings before this Court nor in the proceedings in the court below has petitioner undertaken to specify any evidence, relating to any issue in the infringement suit, which it was "prevented from exhibiting fully".

In the briefs in the court below, and in petitioner's brief in this Court, there is some discussion of the distinction between "intrinsic fraud" and "extrinsic fraud" and of the relation of the decisions of this Court in

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* This recognition by the Supreme Court in the *Throckmorton* case of the power of a court of equity to set aside a judgment after the term of its entry is not in conflict with the line of cases as to termination of appellate jurisdiction upon the expiration of the term, cited under the First Point of this brief (pp. 25-8 *supra*). *U. S. v. Throckmorton* was an original bill, brought in a court of original jurisdiction.

United States v. Throckmorton, supra and in *Marshall v. Holmes,* 141 U.S. 589 to each other and to the case at bar. It is unnecessary to consider these questions, because the present case is ruled by the later decision of this Court in *Toledo Scale Co. v. Computing Scale Co.*, 261 U.S. 399, 421 (1923) relied upon by the court below in its opinion, where this Court said:

> "There has been much discussion as to whether extrinsic fraud is here alleged, and the case of *United States v. Throckmorton,* 98 U.S. 61, is cited and numerous other authorities since that case. We do not find ourselves obliged to enter upon a consideration of the sometimes nice distinctions made between intrinsic and extrinsic frauds in the application of the rule, *because in any case to justify setting aside a decree for fraud whether extrinsic or intrinsic, it must appear that the fraud charged really prevented the party complaining from making a full and fair defense. If it does not so appear, then proof of the ultimate fact, to wit, that the decree was obtained by fraud, fails.*"

Judged by this standard, which has never been disputed, the alleged newly-discovered evidence upon which the instant petition is based, even if it could be considered to establish a fraud, even if such alleged fraud were material, and even if the 1932 judgment for respondent were obtained by the alleged fraud, all of which we deny, would not constitute that kind of fraud which would "justify setting aside a decree".

Petitioner has never been prevented by any action of the respondent "from making a full and fair defense". The two principal issues in the Hazel infringement suit were validity and infringement. The question of in-

fringement, like the question of validity, depends upon the place of the patent in the art. *Petitioner nowhere contends that it was prevented by respondent from presenting in the case at bar every possible defense, including all of the pertinent prior art, and all proof as to the practicability of that art.*

Petitioner is not here seeking an opportunity to offer new proof on any of the issues of the patent controversy. Petitioner is merely seeking a reargument of the issues of validity and infringement, already thoroughly litigated in an adversary proceeding. The very fact that the petition does not contain any prayer directed toward amplifying the record of the patent case conclusively demonstrates that petitioner was not prevented from making a full and fair defense, and therefore, under the doctrine of the *Toledo Scale* case, *supra*, the judgment below should be affirmed.

Sixth Point

The writ of certiorari should be dismissed because the judgment below was based on several grounds, mainly of a factual nature and each sufficient to dispose of the case.

The court below dismissed the amended petition on the following grounds:

First, that it is not possible to say that the alleged fraud, i.e., alleged deception concerning the authorship of the Clarke article, was so basic to the court's 1932 judgment as to warrant setting that judgment aside (Opinion, R. 224).

Second, that the evidence relied on by petitioner cannot possibly qualify as after-discovered evidence (Opinion, R. 223).

Third, that petitioner made no timely representations to the court concerning the Clarke article and that petitioner had no standing to seek the relief for which it petitioned (Opinion, R. 221).

Fourth, that the alleged fraud as to the authorship of the Clarke article did not prevent petitioner from making a full and fair defense (Opinion, R. 224).

Fifth, that even were the court to conclude otherwise than against petitioner upon the foregoing matters touching "the merit of the petitioners' allegations and their standing to seek the relief for which they petition", yet, the term in which the Court of Appeals had decided the infringement suit having expired, the Court of Appeals would be without power to recall its mandate, and that without recalling the mandate there was no way in which it could affect the final decree of the District Court (Opinion, R. 225-226).

Petitioner did not contend that any of the first four grounds of decision warranted review by this Court —none of them was presented as a reason for granting the writ of certiorari. Each of them was purely factual and dispositive of the case.

This Court has dismissed writs of certiorari in such circumstances. In *Keller v. Adams-Campbell Co.*, 264 U.S. 314, this Court granted certiorari in a patent infringement suit to review the question of scope of intervening rights—a question sufficiently important to justify the granting of the writ. On the hearing, it developed that although the lower courts had passed upon the question of intervening rights, they had also decided the question of infringement, which alone was sufficient

to dispose of the case. In these circumstances, this Court said:

> "The result is that an order must be entered dismissing the writ of certiorari as improvidently granted * * *." (264 U.S. at 320)

Petitioner is in reality attempting to use the last, and alternative, ground of the decision below as a lever to obtain a review of the other four grounds of that decision, which grounds were purely factual and each of which was fully dispositive of the case. But this Court does not review on certiorari controverted questions of fact. *Southern Power Co. v. North Carolina Public Service Co.*, 263 U.S. 508, 509; *General Talking Pictures Corp. v. Western Electric Co.*, 304 U.S. 175; *United States v. Johnston*, 268 U.S. 220, 227; *Magnum Co. v. Coty*, 262 U.S. 159, 163.

V
Conclusion.

The judgment below should be affirmed, or in the alternative, the writ of certiorari should be dismissed.

Respectfully submitted,

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